

S U M M E R 2 0 0 8

Worcester,
Tuesday, July 22

Bridgewater,
Tuesday, July 29

Holyoke,
Thursday, July 31

Wakefield,
Tuesday, August 5

Devens,
Thursday, August 7

Cambridge,
Tuesday, August 12

Hyannis,
Friday, August 15

MTRS

School Business Administrator Training

A G E N D A

- 8:30 – 9:00 a.m. **Registration**
Coffee, tea and pastries
- 9:00 – 9:05 a.m. **Welcome**
- 9:05 – 10:15 a.m. **Part 1: Three essentials**
- Determining eligibility and enrolling members
 - Rehiring retirees
 - Determining contribution rates
- 10:15 – 10:30 a.m. **Break**
- 10:30 – noon **Part 2: Two compensation issues**
- Workers' compensation
 - Regular compensation
- Part 3: Deduction reporting**
- The basics
 - BERT 2.0
- Q&A**

MTRS PRESENTERS AND STAFF

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Mary Lynn Chu, Service Representative, Employer Services
Christine Connell, Service Representative, Employer Services
Lachelle Drayton, Service Representative, Employer Services
Robert George, Employer Services Supervisor, Employer Services
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Patricia Raynowska, Senior Service Representative, Employer Services
Joan Schloss, Executive Director

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Commissioner of Elementary
and Secondary Education

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Online

mass.gov/mtrs


It is better to know some of the questions than all of the answers.

James Thurber

MTRS School Business Administrator Training

PROGRAM GUIDE

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Part 1

Three essentials

- **Determining eligibility and enrolling members**
 - Rehiring retirees
 - Determining contribution rates

Part 1: Eligibility and enrollment




Part 1: Three essentials Eligibility and enrollment

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You have many important responsibilities...

- **Reporting** members' payroll deductions
- **Documenting** service and salary data
 - Service purchase applications
 - Refund and retirement applications
- **Maintaining** member account info
- **Providing** MTRS program info and updates to members—thank you!



Part 1: Three essentials Eligibility and enrollment

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...and they begin with...

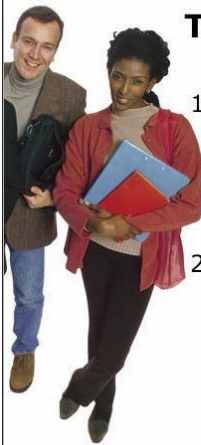
- Determining employees' **eligibility** for MTRS membership
- Facilitating the mandatory online **enrollment** process
- Determining members' **contribution rates**

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Determining eligibility

The two basic questions

- 1) Does the employee meet **the four MTRS membership eligibility criteria** (pursuant to CMR 807 4.02)?
- 2) Does the employee meet **the definition of a "teacher"**?




- For the text of CMR 807–4.02, please see Appendix A, here, or our website, at mass.gov/mtrs > **About the MTRS** > **Regulations**.

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Determining eligibility

The four eligibility criteria

- **Position:** Members must be employed in a position that contractually requires certification
- **Certification:** Members must be certified by the Department of Elementary and Secondary Education (ESE) or, in some cases, the Board of Allied Health Professionals
- **Contract:** Members must be covered by a contractual agreement
- **Status:** Members must be employed on at least a 50% of full-time basis




- As you know, the Massachusetts Department of Education (DOE) recently changed its name to the Department of Elementary and Secondary Education and its acronym is now ESE.

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Determining eligibility

Please note...

- A current certification waiver granted to a teacher by the ESE is equal to being certified
- Teachers pending certification (i.e., they already took the test) are conditionally accepted for one year
- Contracts must guarantee that the member is at least 50% FTE
- Part-time and temporary employees (e.g., long-term subs) are subject to a six-month wait by statute



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Determining eligibility
The definition of a “teacher”

- Definitions are found in M.G.L. c. 32, §1
- “Teacher” also includes:
 - School social worker or adjustment counselor
 - Principal, assistant principal
 - Superintendent, assistant superintendent
 - School psychologist or psychiatrist
- **Note:** Charter school teachers and certain other non-charter school employees are eligible by title (more on this to follow)


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Determining eligibility
Other eligible titles

- Occupational and physical therapists (OTs and PTs) are eligible **if** they are certified by the Massachusetts Board of Registration in Allied Health Professionals **and** meet all of the other eligibility criteria
- However, occupational and physical therapy *assistants*, *assistant teachers*, *teachers’ assistants* or *tutors* are most likely **NOT** eligible for MTRS membership

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Determining eligibility
Charter school employees

- Charter school teachers are eligible by title
- Charter school directors and teachers are required to enroll in the MTRS
- Atypical titles and job descriptions should be approved for eligibility by the MTRS; contact your district’s MTRS representative for assistance
- **Note:** Since retiree health insurance is an employer-provided benefit (not an MTRS benefit), charter schools should advise new hires as to the school’s health insurance benefits, if any

- Please contact your Employer Services representative if you need assistance determining the eligibility of an employee with an atypical position.

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Enrolling members


Mandatory online enrollment

- Pre-enrollment registration by the employer is **required**
- Benefits of the online process
 - Secure connection allows the member to enter his or her full SSN, allowing faster processing for employers and MTRS
 - The confirmation sheet provided by members to employers displays data in a clear, simple format
 - The checklist provided to members prompts them to **complete** the process

Thursday 7/19/2007



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Enrolling members

Your steps in the process

- **Register** your new hires online, provide them with the mandatory assignment sheet and inform them about the enrollment process
- Follow up with members to collect their enrollment confirmation sheets
- **Verify** the data provided by your employees, and use the info provided to determine the contribution rate
- Let's walk through the process...

- Step 1** Review your new hire's eligibility for MTRS membership to ensure that he or she qualifies for enrollment in our system.
- Step 2** After you have determined that the new hire is eligible for MTRS membership, access this page to **COMPLETE** and **SUBMIT** the online Enrollment Registration Form. You will also need to **PRINT** the form, give it to your new hire and advise him or her to complete the member enrollment process online.

The online enrollment process:
A step-by-step overview

MTRS Mandatory Enrollment Registration Form

- This form is to be completed and SUBMITTED ONLINE by School District Administrators
- Access this one-page interactive pdf form from our website: Home > Employers > Employer forms > MTRS Mandatory Enrollment Registration Form
- Registering your new hire is **mandatory**. In order for any new employee to be able to use our online enrollment process, **you** must first complete and submit his or her data online.



Version 4.0 ■ July 2006

Enrollment is a benefit and a very important part of your financial future—the MTRS is your employer's retirement plan.



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Fax 413-784-1707

Questions or problems?
617-679-6895
enrollsupport@trb.state.ma.us

Online mass.gov/mtrs

Form EBU-F0010-PERF-07182006

MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM

MTRS Enrollment Registration Form

THIS SECTION TO BE COMPLETED BY PAYROLL ADMINISTRATOR AND SUBMITTED ONLINE
NOTE: For everyone's protection, this data will be submitted via a secure online connection directly to the MTRS's on-site server.

Employee Name	<input type="text" value="John M. Doe"/>	Employee SSN	<input type="text" value="111"/> - <input type="text" value="22"/> - <input type="text" value="3333"/>
Employer Name	<input type="text" value="Robert M. George"/>	Employer Phone	<input type="text" value="617-679-6895"/>
Employer Title	<input type="text" value="Business Manager"/>	Employer E-mail	<input type="text" value="me@me.com"/>
Date	<input type="text" value="July 19, 2006"/>		

- School district's four-digit MTRS agency code
Be sure to enter your district's four-digit MTRS code, not your DOE code. Please see our web site for the complete listing of district codes.
- Employee's start date as a teacher or administrator mm/dd/yyyy.
- Job title ▼
- If "other," please enter other position title
- Employment status as a percentage of full-time
Note: Less than half-time is ineligible for membership unless employee is also employed by another district. Also, part-time and temporary employees are subject to a six-month waiting period, unless they have funds on account with the MTRS or another Massachusetts retirement system.
- Number of days in contract
- Annual contract salary
- Percentage of salary paid by federal grant, if any
- Date of first payroll deduction, if known mm/dd/yyyy
- Additional employment information:

■ Temporary employee?	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes
■ Long-term substitute?	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes

1) Print 2) Submit Reset

You will need...

- Your certification number, name of issuing authority and date of issue.
- If you have ever been employed by a Massachusetts public school and/or another Massachusetts city, town, county or authority: your position or title, your dates of employment and the status of that account (e.g., whether you withdrew or rolled it over, left it on deposit, or transferred it to another account).

What you need to do...

- Using a computer that has Internet access and that is connected to a printer, go to <http://mtrs.trb.state.ma.us/esp/59enroll.htm>. Allow yourself 10 minutes to complete the online process.
- Provide and submit your data online.
- Return your printed MTRS Enrollment Confirmation Form to your school payroll official as soon as possible, so that your employer may process your MTRS payroll deductions and the MTRS may maintain your retirement account.

Thank you for your cooperation!

Step 3 As soon as possible after you have provided the new hire with the completed Enrollment Registration Form, he or she should access our online enrollment process for members by going to our homepage at <http://www.mass.gov/mtrs> and clicking on "Quick links to our most popular pages," and selecting "Enroll in the MTRS." As Step 3 in the member process, the new enrollee is instructed to PRINT the enrollment confirmation page, below.

Step 4 When you receive the printed confirmation page from your new hire, please review the information and, based on the employee's past history with the MTRS and/or another Massachusetts contributory retirement system, establish his or her contribution rate. Also, be sure to include all new MTRS enrollees on your next monthly retirement deduction report.

TIP: To ensure that the new hire has reflected all relevant past Massachusetts contributory retirement system service, compare the enrollment data on his or her confirmation sheet with his or her résumé.

The online enrollment process:
A step-by-step overview
(continued)

MTRS Enrollment process: Print this Confirmation Form

https://mtrs2.trb.state.ma.us/ee/59enroll.htm?_target5

Mass.gov • mass.gov home • online services • state agencies

MTRS MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM

MTRS Enrollment process > Step 1 > Step 2 > **Step 3** > Checklist of next steps

MTRS Enrollment process
Step 3: PRINT this confirmation form

John: Thank you! Your information has been successfully submitted to the MTRS. Now please PRINT and SIGN this form, and GIVE it to your payroll official as soon as possible.

1) Print this page 2) AFTER printing, go to next step

1) Name	John M Doe
2) SSN	252-23-1234
3) Date of birth	02/26/1959

Message to Payroll Officer: Based on the data submitted by this employee in the MTRS Enrollment process, **your employee has indicated that he/she previously elected into RetirementPlus; therefore, please use a contribution rate of 11%.** Note that all contribution rates are subject to verification by the MTRS.

4) **My history with the MTRS, if any**

Employer	Title	From/To	Status of account
ADAMS	Guidance	01/08/1987-06/30/2005	Left Funds

5) **My history with other MA contributory retirement systems, if any**

System	Title	From/To	Status of account
CAMBRIDGE	Sr Hearing Examiner	12/15/1982-01/07/1986	Transferred

6) **Employee's signature**
I hereby state that I completed the MTRS Enrollment process and submitted my data electronically.
Signature _____ Date _____

Reference: MTRS Contribution rates

If the date on which your employee became a member of a MA contributory retirement system, and from which he/she continuously maintained funds on account is...	His or her contribution rate is...
• Before January 1, 1975	5%
• January 1, 1975 through December 31, 1978	7%
• January 1, 1979 through December 31, 1983	7% + 2% over \$30,000
• January 1, 1984 through June 30, 1996	8% + 2% over \$30,000
• July 1, 1996 through June 30, 2001	9% + 2% over \$30,000
• All members who started in a MA contributory retirement system OTHER than the MTRS after July 1, 2001, and who have either opted not to participate in RetirementPlus or who failed to make a RetirementPlus election by their deadline	9% + 2% over \$30,000
• All RetirementPlus participants, including those who are mandated to participate because they started service with the MTRS on or after July 1, 2001 and did not transfer into the MTRS from another MA contributory retirement system	11%

Back 1) Print 2) AFTER printing, go to next step

Member Enrollment Confirmation Form

- This web page is to be printed by the member during the online enrollment process, and given to the School District Administrator as soon as possible.
- The employee's data is presented in a clean, clear format that, in most cases, will fit on one page.
- Each confirmation form will include a helpful, variable *Message for Payroll Officer* that provides guidance in determining that particular employee's contribution rate.


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Enrolling members

Common issues and FAQ

- **Be aware**—partially completed member forms do NOT get transmitted to the MTRS
- Please check the data on your employee's confirmation sheet against his or her résumé; if the message says, "Call the MTRS," please have the employee's résumé when you call us
- **Member:** I forgot to list service. Now what?
- **Employer:** The message says to deduct 11% message for an employee who started before 7/1/2007 with no previous service. Why?

Lastly, please don't forget to hit "Submit" while registering an employee :)



■ **Member answer:** Please insist that employees who omit prior service go through the online enrollment process a second time to correct any omissions; their new data will overwrite their original data with us. You, however, do **not** need to complete a second employer registration form for them.

■ **Employer answer:** The enrollment process assigns the current contribution rate of 11 percent to "new" members. In the case of a member who started prior to 2001 but who had not properly enrolled, the program assigns the rate of 11 percent even though it should be 9 percent. Accordingly, please be sure to review your employee's data carefully.

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Part 1

Three essentials

Determining eligibility and enrolling members

► **Rehiring retirees**

Determining contribution rates




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Rehiring retirees


Overview (M.G.L. c. 32, §91)

- Three types of restrictions: service, earnings and separation-from-service
- Applies to any Massachusetts public sector employment (the Commonwealth and its political subdivisions: cities, towns, authorities, districts, etc.)
- Applies to retirees classified as "consultants" or "independent contractors" and "leased employees"



■ For more information, please refer to:


- Appendix B, *Restrictions on Post-Retirement Public Sector Employment in Massachusetts*, Memo #24/2008, dated July 2, 2008 from the Public Employee Administration Commission (PERAC), and
- Appendix C, *MTRS establishes new policy clarifying restrictions on hiring retirees*, mailed April 1, 2008 from the MTRS to all school superintendents.

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Rehiring retirees

The restrictions

- **Separation requirement:** 60-day period of separation from service required; waived if member retired at age 65 or at 80% maximum benefit
- **Service limit:** Cannot exceed **960 hours** in a calendar year
- **Earnings limit:** Post-retirement earnings cannot exceed the difference between the current salary of the position from which the member retired, and the amount of his or her annual pension

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Rehiring retirees

An example of earnings restrictions

Joe Teacher retired two years ago from a position that paid \$75,000 per year

Current annual salary for Joe's former position*	\$80,000
– Joe's annual MTRS pension	– \$50,000
Joe's 2008 allowable earnings	\$30,000

* "Salary" includes earnings such as regular longevity, coaching and contracted stipends. It does not include annuity/insurance premiums or other fringe benefits.


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Rehiring retirees

The exception: "critical shortage"

In the event of an ESE-approved "critical shortage," the rules are different:


- RetirementPlus retirees must wait two years to be eligible
- School district must apply to the ESE to obtain a one-year "waiver" for a specific position; district must re-apply after one-year [ESE Regulation 603 CMR 7.03 (2)(b)]
- If above are met, the MTRS retiree may work without earnings limitation for the duration of the critical shortage "waiver"



Part 1: Three essentials Rehiring retirees 23

Rehiring retirees
Reinstatement to service pursuant to M.G.L. c. 32 §105


- Allows members to “unretire”
- All pension benefits received must be repaid, plus 8.25% annual interest
- The reinstated member must remain in service for at least five full-time years
- Cost estimate worksheet at www.mass.gov/perac/forms



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Rehiring retirees
Additional precautions


- Service rendered as a “consultant” or “leased employee” to a MA public school or agency **is** subject to the service and earnings restrictions
- Retirees may elect to waive or “freeze” their benefits if they are approaching their earnings or service limits
- If a retiree exceeds the allowable limits, the MTRS or the employer must recover all excess earnings from the retiree



Part 1: Three essentials Rehiring retirees 25

Rehiring retirees
When to take deductions

- Do **not** take retirement deductions for a rehired retiree who...
 - is working under the rehiring restrictions,
 - is working under a critical shortage waiver, or
 - has temporarily waived or frozen his or her benefit to return to work
- **Do** take MTRS deductions for a retiree who has reinstated into service



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Part 1

Three essentials

Determining eligibility and enrolling members

Rehiring retirees

► **Determining contribution rates**




Part 1: Three essentials Contribution rates 27

Determining contribution rates

A note about RetirementPlus

- All active and inactive members were given an election option in 2001
- All MTRS members who initially establish MTRS membership on or after July 1, 2001 **and** who transfer service from another contributory retirement system to the MTRS, are given a 180-day RetirementPlus election option
- RetirementPlus is mandatory for all MTRS members who initially establish MTRS membership on or after July 1, 2001 **and** who do **not** have funds on account in another MA contributory retirement system



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Determining contribution rates

How it's done

The rate is determined by:

- the employee's RetirementPlus status (which may be mandatory or elective, based on his or her membership date in the MTRS), and,
- if the employee is **not** participating in RetirementPlus, the date on which the employee establishes membership rights in the public retirement system (see below)

MA retirement system start date	Rate
Prior to 1/1/75	5%
Between 1/1/75 and 12/31/83	7% *
Between 1/1/84 and 6/30/96	8% *
Between 7/1/96 and 6/30/01	9% *
On or after 7/1/2001 (RetirementPlus)	11%


*Additional 2% on earnings over \$30,000

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Determining contribution rates

Former MTRS members

- Former MTRS members who...
 - *took refunds*, re-enroll at the new rate
 - *left funds on account*, contribute at their old rate and keep their original RetirementPlus status




Part 1: Three essentials Contribution rates 30

Determining contribution rates

The additional 2%

- Members who enroll in the retirement system on or after January 1, 1979 and who are **not** participating in RetirementPlus, contribute an additional 2% of all earnings in excess of \$30,000
- **Note:** All "**other earnings**" are subject to this withholding if the member's salary is over \$30,000
- Pay for coaches employed at a different district is probably subject to the additional 2% withholding




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Determining contribution rates

Incorrect assessments

- Incorrect assessments are a nuisance, because when members are...
 - *under-assessed*, we are required to send **them** a bill
 - *over-assessed*, we are required to send **you** a refund



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Determining contribution rates

How to succeed...

- Instruct employees to properly **enroll** during the hiring process
- **Confirm eligibility** of your employees
- Determine the correct contribution rate
- Decide if the **additional 2%** contribution rate is required
- **Consult** your assigned MTRS representative when questions arise

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Part 2


Two compensation issues

► **Workers' compensation**

Regular compensation

Part 2: Two compensation issues

Part 2: Two compensation issues Workers' compensation 35



Workers' comp issues

All may be affected

Active members

- Creditable service and retirement deductions
- Salary average in calculation of retirement benefits (superannuation and/or disability)

Retired members

- Offset of ordinary and accidental disability retirement benefits

Employers

- Your reporting requirements for both active and retired members



Active members

Creditable service and retirement deductions

- Pursuant to M.G.L. c. 32, § 14(1), when an active teacher is receiving workers' compensation (WC) benefits for total incapacity (c. 152)...
 - Member receives **full creditable service**
 - No retirement deductions** are withheld from the WC benefits
 - If member receives sick pay to make up difference between WC and full salary, retirement deductions are taken **on the sick pay only**



Active members

Example: Tom Teacher

- Injured on the job in April 2008
- Receiving workers' compensation for total incapacity pursuant to M.G.L. c. 152
- Contractual salary for 2007-08 is \$60,000
- Receives sick leave for a while (scenario A) and then runs out (scenario B):

	Annual salary	Workers' comp	Sick pay	Ret. ded. (11%)	Creditable service
A	\$60,000	\$36,000	\$24,000	\$2,640	100%
B	\$60,000	\$36,000	\$0	\$0	100%



Active members

Salary average in accidental disability benefit calculations

- Pursuant to M.G.L. c. 32, § 14(1), the salary average calculation is based on the salary rate in effect **either** at the time of injury **or** for the most recent 12 months during which the member received "regular compensation," whichever is greater
- "Regular compensation" includes any periods during which the member receives an amount equal to **100% of his or her salary** (which can include a combination of WC plus sick leave)
- Workers' compensation alone is not considered "regular compensation"



Retired members

Offset of retirement benefits

- Pursuant to M.G.L. c. 32, § 14(2), if the retiree receives:
 - **An accidental or ordinary disability retirement benefit...**
 - All weekly workers' compensation benefits will be offset
 - The portion of any lump-sum attributed to lost wages will be offset
 - **A superannuation retirement benefit** (under the regular formula or RetirementPlus), no offset applies



Employers

Reporting requirements: Retired members

- To avoid overpayment of the retiree's retirement benefit by the MTRS, the retiree and employer **must** notify the MTRS if the retiree receives:
 - an award of workers' compensation,
 - a change in the **type** of WC (e.g., §34 temporary/total benefits are exhausted and §34A permanent/total benefits are awarded),
 - a change in the **amount** of WC (e.g., due to a cost-of-living increase), or
 - a lump-sum settlement of WC

- **Employer reporting requirements for active members:** Currently, we collect information regarding workers' compensation leaves and payments for active members at the time of their retirement. In addition to the member listing any workers' compensation payments, employers are required to detail any workers' compensation leaves (the dates of the leave, type of incapacity, and any payments made by the school district to the member during the period of workers' compensation leave).

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Part 2

Two compensation issues

Workers' compensation

► **Regular compensation**




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Regular compensation

Three general categories

- Base pay
- **Pensionable vs. nonpensionable** earnings and fringe benefits
- Additional compensation



- For the statute, MTRS policy statement and guidelines on regular compensation, please see Appendix D.


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Regular compensation

Base pay

- Primary pay for being a teacher; "step-and-scale" in your teachers' collective bargaining agreement (CBA) pay schedule
- Base pay is always pensionable; report as "base earnings"

The calculation method—hourly, daily, weekly—does not matter

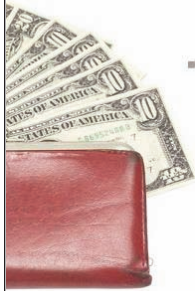


- Base pay can always be found in the member's contract or collective bargaining agreement (CBA).

Regular compensation

"Contracts"

- For most **teachers**:
Collective bargaining agreement (CBA)
- For most **administrators**:
Individual contracts



Regular compensation

"Salary" vs. "wages"

- Hourly pay for additional services is generally not pensionable
- Two exceptions which **are** automatically pensionable by statute:
 - Athletic instruction (coaching)
 - School lunch duty



- In order to be pensionable, pay for additional services, with few exceptions, must not be calculated as hourly, daily, per student, etc.
- Certain payments are specifically defined as regular compensation in Chapter 32.

Regular compensation

Extra days

- Must be specified in the contract (CBA)
 - Must be for the member's primary job—no special projects or additional duties
 - The superintendent must direct—**in writing**—that the extra work be performed
- Report pay for additional days as a separate stipend



- Pay received for working extra days is pensionable only in limited situations.

Regular compensation

Other types of pensionable earnings

- Longevity (regular)
- Used vacation
- Used sick leave
- Cost-of-living adjustment (COLA) bonuses that become part of the base salary
- Base pay increases as a consequence of educational advancement



Regular compensation

Some examples of nonpensionable earnings

- Performance bonuses
- Sick leave and vacation buyback
- **Anything** paid to a member as a result of the member giving notice of retirement **or** of the employer having knowledge of the member's retirement
- Any temporary salary augmentation or enhancement plans



- There are several categories of additional earnings that never qualify as regular compensation.

Regular compensation

"ELBO" plans: 2008

- Enhanced Longevity Buyout
- PERAC's amendment to CMR 840 15.03
- Most non-recurring payments disallowed
- Some existing plans are "grandfathered"



Regular compensation

ELBO grandfather provisions

- The ELBO plan must be provided for pursuant to a contract or CBA in effect on or before January 25, 2006
- Payments under the plan must have begun prior to the expiration of the term of the contract or CBA in effect on January 25, 2006

If these criteria are met, the member may complete the plan under the existing contract, or a successor contract for an equal amount

- Remember that in order for additional compensation to be pensionable, the function and the payment must be clearly set forth in the contract or CBA.

Regular compensation

Pensionable fringe benefits

- Non-cash allowances such as employer-supplied housing
- Employer-paid premiums for an administrator's annuity contract
- Employer-paid (directly or by reimbursement) premiums for an administrator's individual life or disability insurance policy

- Certain benefits beyond base and additional earnings are considered regular compensation.

Regular compensation

Some examples of nonpensionable fringe benefits

- Expense reimbursements, automobile mileage, travel allowances
- Cash paid to the member in lieu of health insurance

Tuition reimbursements, pay for attending workshops, any educational incentives that do not become part of the member's base pay

- Most reimbursements, one-time expense payments, and cash paid in lieu of non-cash benefits are not considered regular compensation.

Regular compensation

**Other
additional compensation**

- The function and the pay amount must be set forth in the contract (CBA)
- The service must be rendered during the school year
 - Summer school teaching is **not** pensionable

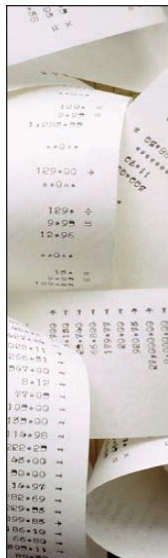
- Compensation for summer school teaching is considered a form of overtime pay and is therefore nonpensionable.

Regular compensation

How to succeed...

- Check your payroll systems to make sure that pensionable and nonpensionable earnings are being handled properly
- Understand the rules when negotiating with employees; express all compensation provisions **in writing**
- Refer school committees, administrators and union representatives to the MTRS for information on regular compensation so that everyone has the same understanding
- When in doubt, contact the MTRS for guidance—with a copy of the contract language at hand

- Except for payments that are defined as regular compensation by statute, all pay for additional services must be specified in the contract.



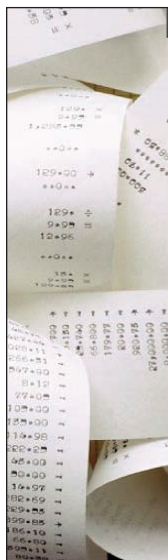
55

Part 3 Deduction reporting

► The basics

BERT 2.0

Part 3: Deduction reporting



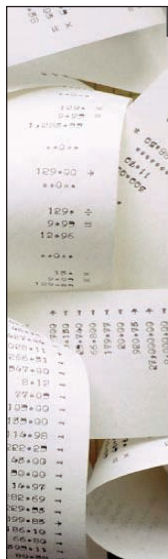
Part 3: Deduction reporting The basics 56

The basics

Monthly reporting

- Districts are required to send a three-part package each month:
 - Check or checks
 - MTRS Submittal form
 - Electronic report on CD or floppy
- No paper report needed, save a tree
- Feel free to append documents, if needed to explain adjustments, etc.
- Take advantage of our "Notes" section

- For the MTRS regulation, see Appendix E, 807 CMR 5.00, Employer Reporting Requirements.

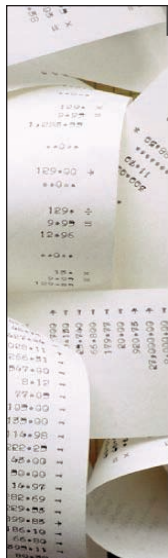


Part 3: Deduction reporting The basics 57

The basics

Deduction reporting deadline

- Your teachers' funds and data **must** be received at MTRS by the **10th** of every month
- Lock box address:
W6970
MTRS
P.O. Box 7777
Philadelphia, PA 09175-6970
- Do not send anything overnight to the lockbox; if necessary, send overnight deliveries to Cambridge office only

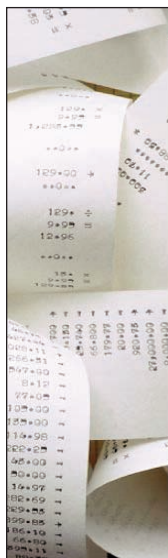


Part 3: Deduction reporting The basics 58

The basics

Reminders...

- Always include your submittal sheet
- Indicate your district and the pay period on the submittal sheet
- Retain a copy of your diskette and **back up your data!**
- Label your CDs and diskettes showing the report period date and your district name



Part 3: Deduction reporting The basics 59

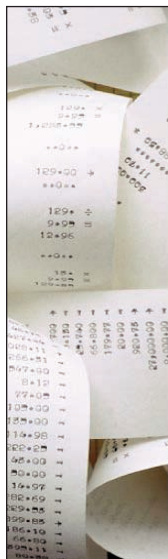
The basics

The report file layout

- Most deduction reports are generated by commercial payroll software or vendor-supplied systems
- In 1996, the MTRS established the current report file layout with 309 continuous characters divided into 41 fields to capture demographic and financial data
- The MTRS report allows for three types of deduction records:

■ Normal records	Type N
■ Adjustment records	Type A
■ Retroactive records	Type R

- For the updated MTRS Earnings and Contribution Report File Layout, see Appendix F. The file layout is also available on our website at mass.gov/mtrs > **Employers > Payroll reporting.**



Part 3: Deduction reporting The basics 60

The basics

New, modified report file layout

- Effective July 2008, we have modified our data requirements while keeping the same record length and file layout and **without** requiring a change by district payroll vendors
- Now, only 29 of the 41 fields are "required" and need to be populated
- If any of the non-required fields *do* contain data, no problem—this will not cause an error

Part 3: Deduction reporting The basics 61

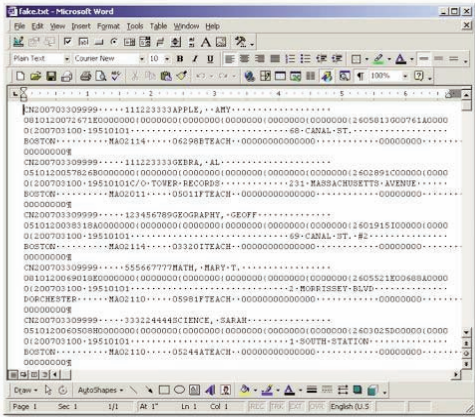
The basics

Member address info: Caveats

- Changes to a unit or apartment number may require an employer to contact the MTRS if the changes are not detected by our testing process
- Please use full **nine-digit zip codes**, and avoid punctuation in the address fields, per USPS standards

Part 3: Deduction reporting The basics 62

Sample deduction report



- This is a sample report with dummy records.

Part 3: Deduction reporting The basics 63

The basics

Deduction report testing

- All deduction reports are tested for format and data accuracy by the Employer Services Unit
- Common format errors:
 - Missing contract data
 - Wrong report submitted
- Common data accuracy errors:
 - Earnings code errors
 - 2% calculation errors
 - Un-enrolled members
 - Incorrect assessments

- As described a little later on, with BERT 2.0, you can very easily run your own error report and then use it to correct any common errors **before** you submit your file to the MTRS.

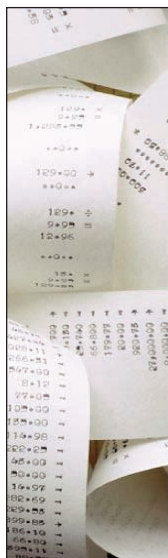


Part 3: Deduction reporting The basics 64

A special case—
Military service

- Members called to active duty can earn retirement credit while serving in the military
- Contributions are paid by the district on behalf of the member
- Provide the MTRS with a completed military service fund form (available online) with payment

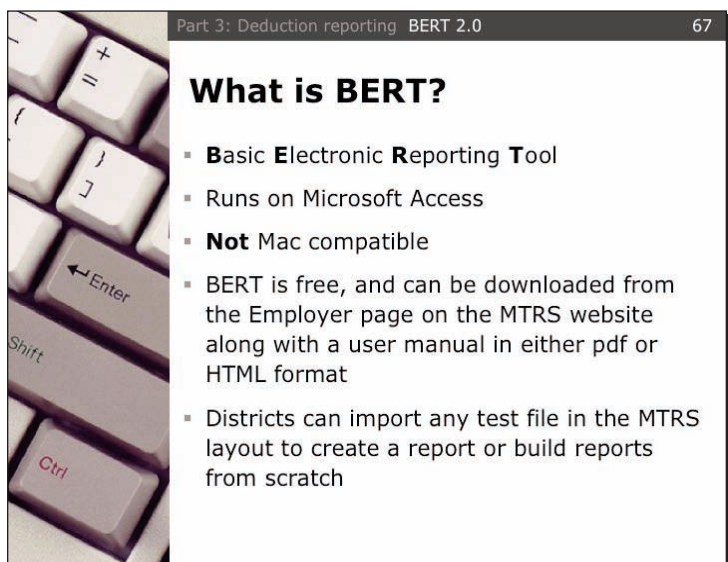
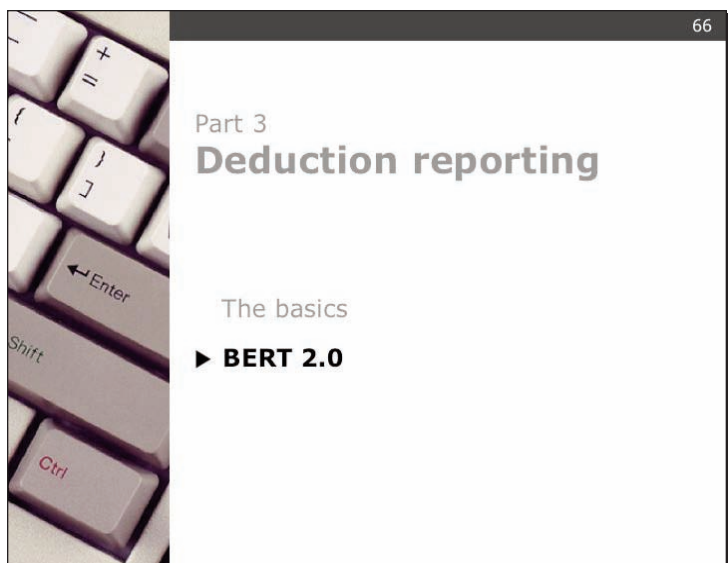
- The military service leave reporting form is available on our website at mass.gov/mtrs > **Employers** > **Employer forms** > **Reporting contributions for members called to active military duty.**



Part 3: Deduction reporting The basics 65

The basics
How to succeed...

- Understand how your vendor software or payroll system populates your deduction reports
- Make sure your earnings codes are set up correctly
- Make sure you report the correct contract term, pay frequency, pay duration and annual salary on every record
- Make sure all members have the correct full-time/part-time percentage



- BERT requires that you have MS Access 2000, 2003 or 2007.
- BERT can be downloaded from mass.gov/mtrs > **Employers > Payroll reporting > Basic Electronic Reporting Tool (BERT)**.
- We strongly encourage ALL districts to use BERT, as it is an easy-to-use retirement deduction reporting tool that requires less data entry, features user-friendly input screens and is fully compliant with our employer reporting requirements.



- In response to your feedback, BERT 2.0 includes two important and time-saving features that we think you will find extremely useful:
 - **Do-it-yourself error reporting:** Simply click on the "Export error report" button to test your file for the most common errors, and then fix them **BEFORE** you submit your report.
 - **Mailing list export:** Easily export your employees' names and addresses for a convenient mailing list.
- For a list of the common errors that BERT will identify for you, please see Appendix G.

Part 3: Deduction reporting BERT 2.0

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Using BERT

- Still uncomplicated, with few user screens
- The Main screen...



- A clear, comprehensive and illustrated guide to installing and using BERT is posted on our website in both pdf and HTML versions.

Part 3: Deduction reporting BERT 2.0

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Using BERT

- The error report...

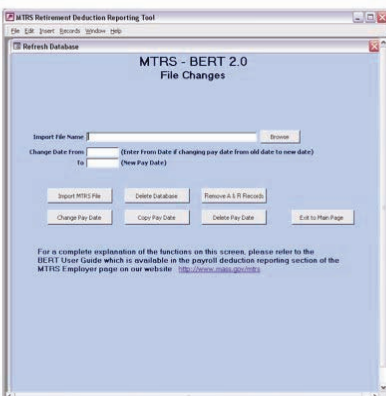
TRANSACTION DATE	TYPE	NAME	ERROR
3/7/2007	N	APPLE AMY	SSN is invalid
3/7/2007	N	GEORGE ALAN	SSN is invalid
3/7/2007	N	GEORGE ALAN	SSN is invalid
3/7/2007	N	GEORGE ALAN	Eligible earnings without a deduction
3/7/2007	N	GEORGE ALAN	Deduction without eligible earnings
3/7/2007	N	GEORGE ALAN	Deduction does not match eligible earnings
3/7/2007	N	GEORGE ALAN	Deduction does not match eligible earnings
3/7/2007	N	GEORGE ALAN	2% deduction is missing
3/7/2007	N	MATH MARY T	Fulfilling percentages is not valid
3/7/2007	N	SCIENCE SARAH	Pay duration and pay frequency are not compatible

Part 3: Deduction reporting BERT 2.0

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Using BERT

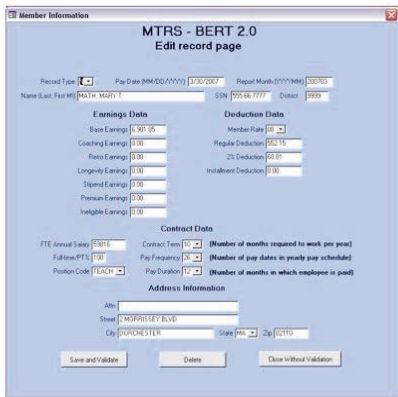
- The File changes screen...



Part 3: Deduction reporting BERT 2.0 72

Using BERT

- The Edit record page...



Part 3: Deduction reporting BERT 2.0 73

BERT support

- Users experiencing trouble installing or using BERT can contact the MTRS Employer Services unit by...
 - Phone 617-679-6895
 - E-mail bertsupport@trb.state.ma.us



Parting thoughts 74

Finally, we're always here to help—

MTRS employer resources

- Online** at mass.gov/mtrs
 - Home > Employers
 - Employer forms, past issues of the *MTRS Employer Bulletin*, online training and reference materials
- Education and outreach**
 - Annual employer programs ("Basic Training" for **new** business, payroll and HR officials; summer training series for **all** business, payroll and HR officials)
 - The *MTRS Employer Bulletin*
 - Periodic broadcast e-mail announcements



- **Suggestion:** Add the Employers homepage to your web browser's "favorites" for easy access, or create a shortcut on your desktop to bring you right to the Employers homepage.



Parting thoughts 75

Contact us!

MTRS Employer Services unit

- Do you know the name of your district's MTRS representative?
- Forgot his or her number?
No problem—look it up online at www.mass.gov/mtrs!
- Contact us by...
 - Phone 617-679-6895
 - Fax 617-679-1661
 - E-mail empsup@trb.state.ma.us

- Each school district has an assigned MTRS Employer Services Representative who is available to provide information and technical assistance.
- For Representatives' names, e-mail addresses and phone numbers, please go to **mass.gov/mtrs > Employers > Contact Employer Services**.




Parting thoughts 76

Stay in touch

Be sure to keep your contact data current...

- Send us an e-mail when there are changes in personnel or other contact info in your district's...
 - Administrative personnel (superintendent, payroll officer, business manager, etc.)
 - Mailing address
 - Phone or fax numbers
 - E-mail or website addresses
- Send your updates to **empsup@trb.state.ma.us**

- Please keep your district's contact information current to ensure that you receive MTRS announcements, mailings and broadcast e-mails.



Q&A?

Please remember to complete your program evaluation form and give it to one of us before you leave...

Thank you for coming today!

- Please be sure to complete your program evaluation form and leave it with one of our representatives. We need and value your honest feedback!

Appendix A

807 CMR 4.00: Eligibility for Membership

<http://www.mass.gov/mtrs/4about/4regs.htm>

Section

4.01: Purpose of Standard-Rules; Retirement Board Policy

4.02: Eligibility Criteria

4.03: Enrollment

807-4.01: Purpose of Standard Rules; Retirement Board Policy

The purpose of 807 CMR 4.00 is to establish uniform criteria and procedures to be applied by the Retirement Board in determining an individual's eligibility for membership within the Massachusetts Teachers' Retirement System. The retirement board shall assist all public school teachers and administrators in obtaining all rights and benefits authorized by M.G.L. c. 32 while protecting the retirement system from liability not authorized by law.

807-4.02: Eligibility Criteria

- (1) No individual shall be eligible for membership within the retirement system unless the retirement board finds:
 - (a) The individual is covered by a contractual agreement for employment with one or more school committees or boards of trustees or by any combination of such committees and boards;
 - (b) The contractual agreement requires not less than half-time service;

- (c) The individual holds a certificate granted by the board of education, has been granted a waiver pending certification by the board of education, or has been approved as an apprentice teacher in accordance with the provision of St. 1985, c. 188, 21; and

- (d) The individual has a contractual agreement which requires that the individual be certified by the board of education as a condition of employment.

- (2) In addition to those individuals determined to be eligible pursuant to 807 CMR 4.02(1), the following individuals shall be deemed eligible for membership: individuals who hold a certificate granted by the board of education and are employed on the basis of not less than half-time as the director of an educational collaborative as organized and approved under the provisions of M.G.L. c. 40, § 4E.

807-4.03: Enrollment

- (1) Enrollment. Any individual who enters into a contractual agreement for employment with a school committee or board of trustees shall obtain from such committee or board a form (MTRB Enrollment Form) and file it with the retirement board within 30 days of the individual becoming eligible for membership.

REGULATORY AUTHORITY 807 CMR 4.00:
M.G.L. c. 15, § 16.

Appendix B

Restrictions on Post-Retirement Public Sector Employment in Massachusetts

PERAC memo #24/2008; <http://www.mass.gov/perac/08memos/2408.html>

Commonwealth of Massachusetts | Public Employee Retirement Administration Commission
Five Middlesex Avenue, Suite 304, Somerville, MA 02145
Ph 617 666 4446 | Fax 617 628 4002 | TTY 617 591 8917 | www.mass.gov/perac
Domenic J. F. Russo, Chairman | A. Joseph DeNucci, Vice Chairman
Mary Ann Bradley | Paul V. Doane | Kenneth J. Donnelly | James M. Machado | Donald R. Marquis
Joseph E. Connarton, Executive Director

MEMORANDUM

TO: All Retirement Boards
FROM: Joseph E. Connarton, Executive Director
RE: Restrictions on Post-Retirement Public Sector Employment in Massachusetts
DATE: July 2, 2008

The retirement laws for public employees in Massachusetts impose limitations on post retirement earnings from the Commonwealth, or any of its subdivisions [G.L. c. 32 § 91(b) & (c)]. The limitations apply to all persons retired from the public sector in Massachusetts who are receiving a retirement allowance, both superannuation and disability retirees. There are several exceptions to the limitations, for example retirees who are elected to office by a direct vote of the people. This memorandum is not intended to discuss the exceptions.

If a retiree is re-employed in the service of the Commonwealth, or any of its counties, cities, municipalities or political subdivisions, his or her earnings for the calendar year when added to the retirement allowance he or she is receiving, cannot exceed the salary currently being paid for the position from which he or she retired. Further, public sector re-employment is limited to a period of up to 960 hours in aggregate, in any calendar year.

For example, a retiree is receiving an allowance of \$40,000, and the position from which he or she retired is currently paying \$55,000. The retiree may not earn more than \$15,000 and/or work more than 960 hours in the service of the Commonwealth or a political subdivision thereof in a calendar year.

The responsibility for monitoring post-retirement earnings is placed upon the employer and the retiree [G.L. c. 32, § 91(c)]. The retiree shall certify to his or her employer and the treasurer or person responsible for the payment of compensation, the number of days or hours which he or she has been employed in any calendar year and the amount of earnings from this employment. If the number of hours exceeds 960, the retiree shall not continue to be employed. If the earnings exceed the amount allowed, the retiree shall return to the appropriate treasurer or person responsible for the payment of compensation all earnings in excess of the allowable amount. The amount of any excess not returned may be recovered in an action in contract by the treasurer or person responsible for the payment of the compensation to the retiree.

The court has ruled that if the employer does not seek or receive the reimbursement from the retiree, the Retirement Board that paid may recoup the excess payments, [*Flanagan v. Contributory Retirement Appeal Bd.*, 51 Mass.App.Ct. 862, 750 N.E.2d 489 (2001)]

We urge all public employers to periodically review the hours of employment and earnings being paid to public sector retirees. Retirement Boards should share this memorandum with the employers who make up the governmental units in the Retirement Systems.

Appendix C

MTRS establishes new policy clarifying restrictions on hiring retirees

MTRS memo mailed to school district superintendents on April 1, 2008
from Joan Schloss, MTRS Executive Director

As you are aware, General Laws chapter 32, section 91 restricts public retirees' eligibility to work for public employers. Specifically, section 91(a) prohibits all retirees from "render[ing] service" to any public employer, which includes traditional public schools, educational collaboratives, and charter schools (hereinafter collectively referred to as "School Districts"). Section 91(b) provides a general exception to this prohibition, allowing post-retirement employment for up to 960 hours in any calendar year, and limiting annual earnings to the difference between the retiree's retirement allowance and the salary being paid for the position from which he/she retired. Prompted in part by a recent court decision, it is the position of the Massachusetts Teachers' Retirement System (the "MTRS") that "render[ing] service" includes work under an employee leasing arrangement. Therefore such arrangements are subject to the restrictions of section 91.

What is an employee leasing arrangement?

An employee leasing arrangement is one where one company (the "Leasing Company") loans or hires out its employee to another (the "Client Company"). The "leased" employee is paid by the Leasing Company and may report occasionally to the Leasing Company. While working for the Client Company, however, the employee and his/her work are largely directed and controlled by the Client Company. The "leased" employee usually works at the Client Company's offices, and uses the Client Company's equipment to accomplish his/her work. The Leasing Company may provide little, if any, training. A common example is a "temp" agency that supplies temporary workers. Since the law has often regarded "leased" employees as employed by both the Leasing Company and Client Company, the MTRS has concluded that a "leased" employee "renders service" to the Client Company.

How does this affect School Districts?

Certain companies supply interim school administrators to School Districts under "leasing" arrangements. These "leased" administrators are often retired school administrators. All superintendents, assistant superintendents, and principals are by law appointed, employed and directed by their respective superiors (and ultimately, the school committee). G.L. c. 71, §§ 37, 59 and 59B. Superintendents and other administrators assist school

committees in the development of policy, and implement the policy by managing the operations of the school system in accordance with it. G.L. c. 71, § 52; see, also DOE Educational Advisory on School Governance. Thus, the MTRS must regard "leased" employees in such positions to be "render[ing] service" to the district and therefore subject to the limitations of section 91(b).

How and when will the MTRS implement this policy?

When the MTRS becomes aware of retirees serving as "leased" employees, it will consider them subject to the same restrictions as any other retiree, and thus allowed to work up to the limits of section 91(b). The MTRS intends to work with the employing School District to determine the extent to which the limits may have been exceeded, and afford the School District the opportunity to exercise its rights, if any, to recoup the excess pursuant to section 91(c). However, if the School District does not recoup the excess earnings, the MTRS will do so through an offset of the retirement allowance. Because School Districts have already made arrangements for services for the current school year, the MTRS will implement this practice beginning with the new school year in July 2008.

These employee leasing arrangements can be distinguished from situations where a retiree works for some independent company that performs a service for the School District. Examples include companies that provide kitchen services, landscaping, or equipment repair. In such situations, the retiree is generally under the direct control and supervision of another employee of the independent company, not the School District. Typically, the services are accomplished using the independent company's equipment, and the services are often tangential to the client's main business (e.g. providing food for employees, repairing equipment). In such arrangements, the independent contracting company is obligated to perform some service; in employee leasing arrangements, the Leasing Company is obligated only to provide the labor of some individual. The Public Employee Retirement Administration Commission has opined that retirees working for legitimate independent contracting companies are not subject to the restrictions of section 91.

If you have any questions, please contact our General Counsel, James Salvie, at 617-679-6888 or by e-mail at james.salvie@trb.state.ma.us.

Appendix D

Regular compensation

The statute, MTRS policy statement and guidelines

M.G.L. c. 32, § 1

“Regular compensation”...shall mean full salary, wages or other compensation in whatever form, lawfully determined for the individual service of the employee by the employing authority, not including bonus, overtime, severance pay for any and all unused sick leave, early retirement incentives, or any other payments made as a result of giving notice of retirement...and including any part of such salary, wages or other compensation derived from federal grants...; provided, that...salary, wages or other compensation payable in the form of cost of living bonuses and cost of living pay adjustments shall be included in such term.

In the case of a teacher employed in a public day school who is a member of the teachers’ retirement system, salary payable under the terms of an annual contract for additional services in such a school and also compensation for services rendered by said teacher in connection with a school lunch program or for services in connection with a program of instruction of physical education and athletic contests as authorized by section forty-seven of chapter seventy-one shall be regarded as regular compensation rather than as bonus or overtime and shall be included in the salary on which deductions are to be paid to the annuity savings fund of the teachers’ retirement system.

Regular compensation shall also include all premiums paid by any governmental unit for the purchase of an individual or group annuity contract.

MTRS policy statement

The amount you, as a member of the Teachers’ Retirement System, contribute to the retirement system is based upon your regular compensation. Regular compensation is a term which is defined in Massachusetts General Laws chapter 32, section 1, the public pension law (*above*).

Regarding teachers

For teachers, salary payable under the terms of the collective bargaining agreement for additional services is also regarded as regular compensation so long as the services are educational in nature, the remuneration for these services is provided in the collective bargaining agreement and the services are performed during the school year.

Teachers frequently ask whether compensation they received for attending professional development courses or reimbursement of professional development expenses is

included within regular compensation. Reimbursement of expenses is not income, and therefore not regular compensation. In general, one-time payments of any kind, even for professional development, cannot be regarded as regular compensation. Amounts that are added to a teacher’s base pay, however, may be regarded differently.

Determining what is included in regular compensation is an important issue for both the member and the MTRS. The MTRS has a fiduciary duty to comply with the law and to ensure that only those payments which meet the definition of regular compensation are used in the member’s three-year average salary. For the member, it is in his or her best interests to understand what will be regarded as regular compensation so that at the time of retirement, there won’t be any misunderstandings or false expectations on what will be included in the member’s final three-year average salary.

Regarding administrators

For school administrators who negotiate their individual contracts, determining what is considered regular compensation requires careful review and consideration. The MTRS has a fiduciary duty to comply with the law and to ensure that only those payments which meet the definition of regular compensation are used in the member’s three-year average salary. For that reason, at the time a school administrator submits his/her application for retirement, the MTRS will request copies of all the contracts covering the final four years of the administrator’s employment. The MTRS must review the language of the contracts, the dates of their execution and the percentage of salary increases. As a general rule, reimbursements and payments received for travel and business expenses will not be considered regular compensation. Moreover, any significant increase in the administrator’s salary in any of the final three years may be questioned. It is not unusual for a retirement counselor to request explanations of certain payments and to ask to be provided with a copy of the person’s notice of retirement.

It is in everyone’s best interests to understand and have a clear idea of what will be regarded as regular compensation so that at the time of retirement there won’t be any misunderstandings or false expectations on what will be included in the member’s final three-year average salary.

Continued on next page

Regular compensation: MTRS guidelines

What is included in “regular compensation” is determined by the statute quoted at left and regulations of the MTRS and the Public Employee Retirement Administration Commission. For convenience, a summary of those regulatory provisions is set forth below (though the regulations themselves will always be determinative).

Included earnings

- Annual salary per collective bargaining agreement or administrator’s contract
- Longevity (not “enhanced” longevity; *see Salary augmentations, under Excluded earnings, at right*)
- Coaching
- Additional services per collective bargaining agreement (e.g., yearbook advisor, class advisor); *see Regarding additional duties, in shaded box, below*
- Salary payable under the terms of the collective bargaining agreement for services rendered in connection with a school lunch program
- Salary payable for services in connection with a program for physical education instruction and athletic contests such as intramural sports
- Cost-of-living bonuses or adjustments that become part of base compensation
- Premiums paid by employer for individual life or disability insurance or an individual annuity contract
- Educational step increases according to salary schedule set forth in collective bargaining agreement, excluding money for reimbursement for attending educational workshops

Excluded earnings

- Retirement incentives
- Sick leave buy-back
- Overtime
- Bonus
- Special projects
- Summer school
- Reimbursement for travel or other expenses
- Payment for unused vacation
- Amounts paid in addition to salary for professional development or education assistance (e.g., recertification workshops)
- Any payment made as a result of the employer’s knowledge of your retirement
- Salary augmentations [i.e., any extraordinary, ad hoc or nonrecurring salary augmentations or enhancements, such as extended longevity buy-out (ELBO) plans]

Regarding additional duties

Salary payable under the terms of the collective bargaining agreement for additional services is also regarded as regular compensation so long as the services are educational in nature, the pay for these services is provided in the collective bargaining agreement and the services are performed during the school year. For most additional services—except school lunch and sports programs—hourly wages will not be included. As a general rule, reimbursements and payments received for travel and business expenses will not be considered regular compensation.

Appendix E

807 CMR 5.00: Employer Reporting Requirements

<http://www.mass.gov/mtrs/4about/4regs.htm>

Section

**5.01: Purpose of Standard Rules;
Retirement Board Policy**

5.02: Monthly Deduction Report

**807-5.01: Purpose of Standard Rules;
Retirement Board Policy**

The purpose of 807 CMR 5.00 is to clarify and standardize the reporting of employee data to be required of each governmental unit who employs individuals eligible for membership in the Massachusetts Teachers' Retirement System. Standardizing and clarifying reporting requirements for all governmental units will enable the retirement board to ensure the accurate accounting of all member accounts, to guarantee the financial accountability of the retirement fund, and to maintain the necessary data to fully comply with all reporting requirements as provided in M.G.L. c. 32. All records and reports shall be required as of the dates outlined in these rules and as outlined in M.G.L. c. 32.

807-5.02: Monthly Deduction Reports

- (1) Each governmental unit with employees who are members of the Massachusetts Teachers' Retirement System shall report to the Executive Director of the Teachers' Retirement Board on or before the tenth day of each succeeding month the various amounts withheld for the deposit in the annuity savings fund.
- (2) Each governmental unit shall submit monthly reports in an automated format prescribed by the Teachers' Retirement Board.
- (3) Any governmental unit which withholds contributions from 50 or less members may request authorization to submit written monthly deduction reports. Such a request shall specify the reason(s) which prohibits automated reporting. The granting of such a waiver shall be at the discretion of the Board.

REGULATORY AUTHORITY 807 CMR 5.00: M.G.L. c. 15, § 16.

The MTRS standardized earnings and retirement contribution reporting in 1996. The original file specifications have since been modified to simplify payroll deduction reporting for employers and remove most of the originally required data that is otherwise non-existent in payroll systems. While updating the report validations and file field definitions, the MTRS has retained the fundamental structure of the original 309 character per record layout in order to avoid requiring software revisions by employers.

Field definitions

Field name	Record Type
Status	Required
Length	1 character
Valid entries are	Payroll records are identified by "C" (letters are all caps)
Description	This is the first field in the report. It identifies the type of record being read by the system. Record types A, B and D have been eliminated.

Field name	Trans-Type
Status	Required
Length	1 character
Valid entries are	N – Normal, R – Retroactive, A – Adjustment (letters are all caps)
Description	The Transaction Type field identifies the pay type of each individual record. <ul style="list-style-type: none"> ■ Normal Record: Record reporting regular payroll data ■ Adjustment Record: Record used to correct an error or omission that occurred in a prior reporting period ■ Retroactive Record: Record generated to report retroactive pensionable pay for an employee who would not have a normal record for that period (such as a terminated employee or a retiree); this is the sole function of this transaction type

Field name	Trans-Date
Status	Required
Length	8 characters
Valid entries are	yyyymmdd
Description	Also known as the Pay Date or Check Date, the Transaction Date identifies the date of the pay transaction that pertains to this specific record. In a normal payroll record the transaction date(s) are always the same month as the Period. When the report contains aggregate records, this date should reflect either the last check or the last calendar date of the month being reported.

Field name	Agency
Status	Required
Length	6 characters
Valid entries are	#### (space) (space) - # = 0-9
Description	The school district's four-digit agency code assigned by MTRS. This field is left justified and should be space-filled.

Appendix F MTRS Earnings and Contribution Report File Layout

Updated July 1, 2008

Field name	School Code
Status	Eliminated
Length	3 characters
Valid entries are	(space) (space) (space)
Description	Formerly the school building location code; no longer used. Please insert three spaces. This field can remain populated if being populated today.

Field name	SSN
Status	Required
Length	9 characters
Valid entries are	##### - # = 0-9
Description	The member's Social Security number is the primary key in the MTRS database. No hyphens.

Field name	Name
Status	Required
Length	30 characters
Valid entries are	Alpha-numeric (letters are all caps), left justified + space filled
Description	Full name of the member whose data is being reported. Format is last name first separated by a comma from the first name and middle initial. Modifiers (Sr., Jr., II, III, etc.) are part of the last name separated from the last name by a space then followed by a comma. Hyphenated last names are valid. There should only be one comma in the name field because there is no comma between the first name and middle initial (e.g., "HIDALGO-SMITH III, JANET R").

Field name	Rate-Code
Status	Required
Length	2 characters
Valid entries are	05, 07, 08, 09, 11
Description	Identifies the contribution rate in the record being reported.

Field name	Contract-Term
Status	Required
Length	2 characters
Valid entries are	01, 02, 03, 09, 10, 11, 12
Description	The term (length of time expressed in months) associated with the contract covering the member whose deductions are being reported; the length of time the member is contracted to work. Contract terms of "01", "02" and "03" should only be used for an athletic coach who is a teacher in another school district.

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MTRS Earnings and Contribution Report File Layout

Updated July 1, 2008

Field name	Pay-Duration
Status	Required
Length	2 characters
Valid entries are	01, 02, 03, 09, 10, 11, 12, LS
Description	Duration of the pay schedule for the member being reported, expressed in months. The "LS" value is entered for members on a 12-month pay cycle who collect their summer pay as a lump-sum in month 10. Pay durations of "01", "02" and "03" should only be used for a coach who teaches in another school district.

Field name	Base-Earnings
Status	Required
Length	8 characters
Valid entries are	#####, # = 0-9, zero filled
Description	The portion of contractual base earnings actually paid to the member during the reporting period; equals the contracted annual salary divided by the annual pay frequency, multiplied by the number of pay periods being reported in the record. \$1234.64 = 00123464 and \$-1234.64 = 0012346N All earnings and deductions fields can have alpha-numeric last characters based on COBOL standards.

Field name	Coaching-Earnings
Status	Required
Length	8 characters
Valid entries are	#####, # = 0-9, zero filled
Description	Earnings paid for athletic coaching at such times as they occur. \$1234.64 = 00123464 and \$-1234.64 = 0012346N All earnings and deductions fields can have alpha-numeric last characters based on COBOL standards.

Field name	Retroactive-Earnings
Status	Required
Length	8 characters
Valid entries are	#####, # = 0-9, zero filled
Description	Earnings being reported in a current period that are retroactive to a prior period. \$1234.64 = 00123464 and \$-1234.64 = 0012346N All earnings and deductions fields can have alpha-numeric last characters based on COBOL standards.

Appendix F

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MTRS Earnings and Contribution Report File Layout

Updated July 1, 2008

Field name	Longevity-Earnings
Status	Required
Length	8 characters
Valid entries are	#####, # = 0-9, zero filled
Description	Earnings paid for a contractual longevity bonus that is not incorporated into the base salary. \$1234.64 = 00123464 and \$-1234.64 = 0012346N All earnings and deductions fields can have alpha-numeric last characters based on COBOL standards.

Field name	Stipend-Earnings
Status	Required
Length	8 characters
Valid entries are	#####, # = 0-9, zero filled
Description	Additional eligible earnings paid as contractual stipends and reported when they occur; e.g., pay received for Choral Director, Department Head, Lead Teacher, etc. \$1234.64 = 00123464 and \$-1234.64 = 0012346N All earnings and deductions fields can have alpha-numeric last characters based on COBOL standards.

Field name	Premium-Earnings
Status	Required
Length	8 characters
Valid entries are	#####, # = 0-9, zero filled
Description	Premiums paid by the employer for individual life or disability insurance or annuity contracts. Frequently found in administrator's contracts. \$1234.64 = 00123464 and \$-1234.64 = 0012346N All earnings and deductions fields can have alpha-numeric last characters based on COBOL standards.

Field name	Ineligible-Earnings
Status	Required
Length	8 characters
Valid entries are	#####, # = 0-9, zero filled
Description	Nonpensionable (ineligible) earnings paid to the member in the reporting period; no deductions are taken from these earnings and they are not added to the total. Please default all undefined codes to this field. \$1234.64 = 00123464 and \$-1234.64 = 0012346N All earnings and deductions fields can have alpha-numeric last characters based on COBOL standards.

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MTRS Earnings and Contribution Report File Layout

Updated July 1, 2008

Field name	Pay-Frequency
Status	Required
Length	2 characters
Valid entries are	01, 02, 03, 10, 12, 20, 21, 22, 24, 26, 27, 40, 41, 42, 43, 44, 52, 53
Description	The annual pay date schedule expressed as a two-digit number. For a member who receives pay weekly over all 12 months in the year, the pay frequency would be reported as 52. Teachers who receive pay on a bi-weekly schedule, 12 months a year would have a pay frequency of 26. Pay frequency of "01", "02" and "03" should only be used for a coach who teaches in another school district.

Field name	Retirement-Deduction
Status	Required
Length	6 characters
Valid entries are	#####, # = 0-9, zero filled, right justified
Description	The retirement contribution actually deducted for the member reported in this record. This is calculated as a percentage of the sum of all eligible earnings reported in the previous earnings fields. \$234.64 = 023464 and \$-234.64 = 02346N All earnings and deductions fields can have alpha-numeric last characters based on COBOL standards.

Field name	2% Retirement-Deduction
Status	Required
Length	6 characters
Valid entries are	#####, # = 0-9, zero filled, right justified
Description	The "30-plus" contribution deducted for the member reported in this record. The "30-plus" deduction should be calculated on a pay period basis on all earnings over that which would equal the earnings of someone being paid \$30,000/year. \$234.64 = 023464 and \$-234.64 = 02346N All earnings and deductions fields can have alpha-numeric last characters based on COBOL standards.

Field name	Repay
Status	Required
Length	6 characters
Valid entries are	#####, # = 0-9, zero filled, right justified
Description	Reserved for reporting pre-tax installment payments. Use of this field is currently suspended but eventually it will be used to report installment payments to the MTRS through payroll deduction (for refund buy-backs, service purchases, etc.). Installment payments must be authorized by the MTRS before being submitted. This field should not be used for error correction. \$234.64 = 023464 and \$-234.64 = 02346N All earnings and deductions fields can have alpha-numeric last characters based on COBOL standards.

Appendix F

Continued

MTRS Earnings and Contribution Report File Layout

Updated July 1, 2008

Field name	Period Date
Status	Required
Length	6 characters
Valid entries are	yyyymm
Description	Also known as the reporting period or payroll period. The payroll year/month to which the transaction reported in the record applies; format is a 4-digit year followed by a 2-digit month (01 through 12): yyyymm. The month and year of the period date must match the month and year of the transaction date on all normal records.

Field name	Full-time Status
Status	Required
Length	3 characters
Valid entries are	###, zero filled, no decimals!
Description	Full-time/part-time status. The percentage of full-time the member being reported is working; field is 3-digit numeric; full-time is entered as "100"; eligible part-time entries are "001" through "099". While employees who are working less than half-time ("050") are ineligible for MTRS membership, it is sometimes necessary to report less than half-time values in this field when a member is working in more than one school district and the combination of the multiple district employment is equal or greater than 50% full-time.

Field name	Gender Code
Status	Eliminated
Length	1 character
Valid entries are	(space)
Description	Please insert one space. This data is now collected through the enrollment application. If currently being populated, no change is required.

Field name	Birth-Date
Status	Eliminated
Length	8 characters
Valid entries are	(space) x 8 or 19500101
Description	Please insert 19500101 or eight spaces. This data is now collected through the enrollment application. If currently being populated, no change is required.

Field name	Street1 – Attn: Line
Status	Required
Length	30 characters
Valid entries are	Alpha-numeric (letters are all caps), left justified + space filled
Description	This field is used for additional address mailing information such as an apartment or suite number, "c/o", etc. Please avoid commas or other punctuation marks.

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MTRS Earnings and Contribution Report File Layout

Updated July 1, 2008

Field name	Street2 – Street Address Line
Status	Required
Length	30 characters
Valid entries are	Alpha-numeric (letters are all caps), left justified + space filled
Description	This field is used for the member's primary street address or PO Box number. Please avoid commas or other punctuation marks.

Field name	City
Status	Required
Length	16 characters
Valid entries are	Alpha-numeric (letters are all caps), left justified + space filled
Description	The city or town portion of the member's mailing address.

Field name	State
Status	Required
Length	2 characters
Valid entries are	Any standard two digit abbreviation for a US state or PR for Puerto Rico
Description	The two-character state abbreviation. Letters are all caps

Field name	Zip Code
Status	Required
Length	10 characters
Valid entries are	#####, #####-#### or #####(space)#### - (# = 0-9)
Description	The postal ZIP code that pertains to the member's address. This field is sized to accommodate ZIP+4 and should be fully populated whenever this data is available. The format is base ZIP followed by four digits and may be input without a hyphen.

Field name	Salary
Status	Required
Length	6 characters
Valid entries are	##### (# = 0-9)
Description	The current annual contractual salary for the member being reported. This field should be updated whenever a member's salary changes. This should be the full-time equivalent and stated in whole dollars. \$54,127 = 054127 The salary field does not allow alpha-numeric coding.

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Continued

MTRS Earnings and Contribution Report File Layout

Updated July 1, 2008

Field name	Position
Status	Required
Length	6 characters
Valid entries are	SUPT = Superintendent TEACH = Teacher COACH = Coach (as primary title) ADMIN = Administrator PRIN = Principal NURSE = School Nurse OTHER = Other LTS = Long-term sub PSYCH = Psychologist or psychiatrist LIBRA = Librarian ASPRIN = Assistant Principal ASUPT = Assistant Superintendent GUIDE = Guidance Counselor OT = Occupational Therapist PT = Physical Therapist
Description	The member's generic position code derived from an MTRS-defined table. Please use upper case letters.

Field name	Employer Paid Code
Status	Eliminated
Length	1 character
Valid entries are	(space)
Description	Please insert one space

Field name	Employer Paid Amount
Status	Eliminated
Length	8 characters
Valid entries are	00000000 or (space) x 8
Description	Please insert eight zeroes (00000000) or eight spaces

Field name	Grant Percentage
Status	Eliminated
Length	3 characters
Valid entries are	000 or (space) x 3
Description	Please insert three zeroes (000) or three spaces

Field name	Time
Status	Eliminated
Length	3 characters
Valid entries are	000 or (space) x 3
Description	Please insert three zeroes (000) or three spaces

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MTRS Earnings and Contribution Report File Layout

Updated July 1, 2008

Field name	Certification Number
Status	Eliminated
Length	8 characters
Valid entries are	eight spaces
Description	Please insert eight spaces. This data is now collected through the enrollment application. If currently being populated with a valid certification number, no change is required.

Field name	Certification Issuer
Status	Eliminated
Length	4 characters
Valid entries are	four spaces
Description	Please insert four spaces. This data is now collected through the enrollment application. If currently being populated with a valid certification source, no change is required.

Field name	Certification Date
Status	Eliminated
Length	8 characters
Valid entries are	00000000 or (space) x 8
Description	Please insert eight zeroes 00000000 or eight spaces. This data is now collected through the enrollment application. If currently being populated with a valid certification number, no change is required.

Field name	Filler
Status	Eliminated
Length	8 characters
Valid entries are	8 spaces
Description	Please insert eight spaces

Field name	Deduction Start Date
Status	Eliminated
Length	8 characters
Valid entries are	00000000 or (space) x 8
Description	Please insert eight zeroes 00000000 or eight spaces. This data is now collected through the enrollment application.

End of record	Please end each record with a carriage return
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MTRS Earnings and Contribution Report File Layout

Updated July 1, 2008

Below is a list of the possible error messages that may appear in a BERT 2.0 Error Report and what they indicate.

Error message	What this means
Agency code is invalid	The four-digit Agency code field is blank
Transaction date is invalid	The member's transaction date is blank
Pay period is not valid	The period date field is blank
SSN is invalid	The member's Social Security number is null or one of several designated false SSNs
Name field is blank	There is no data in the name field
Street address is blank	The member's street address field in the address is blank
City field is blank	The city field of the member's address is blank
State field is blank	The member's state field in the address is blank
Zip code is invalid	The member's zip code field in the address is blank
Eligible earnings without a deduction	Eligible earnings were reported but no deduction was reported
Record has no earnings or deduction	The earnings and deduction fields are all zero
Deduction without eligible earnings	A deduction has been taken without eligible earnings being reported
Rate code is invalid	The member's rate code is not one of these acceptable values: 05, 07, 08, 09 or 11
Regular deduction is invalid	The regular deduction field is blank or negative
Deduction does not match eligible earnings	The regular deduction amount does not calculate properly against the eligible earnings
2% Deduction is invalid	The value in the 2% field is either blank or negative
2% Deduction is missing	This error will appear for any 8% or 9% member that is listed as full-time with a salary of more than \$30,000 but yet did not have a 2% deduction taken
2% Deduction taken in error	This error will appear for any 5% or 11% member who had 2% deduction taken
Installment payment is invalid	The installment field is blank or any value other than zero
Annual salary is invalid	The annual salary is blank, zero or negative
Position code is invalid	The position code is not one of these acceptable values: TEACH, ADMIN, OTHER, COACH, PRIN, NURSE, SUPT, LTS, PSYCH, ASPRIN, LIBRA, GUIDE, OT, PT or ASUPT
Full-time percentage is not valid	The full-time status is null or a value of less than 002 or more than 100 has been reported

Appendix G

MTRS Basic Electronic Reporting Tool (BERT 2.0): Possible error messages and what they mean

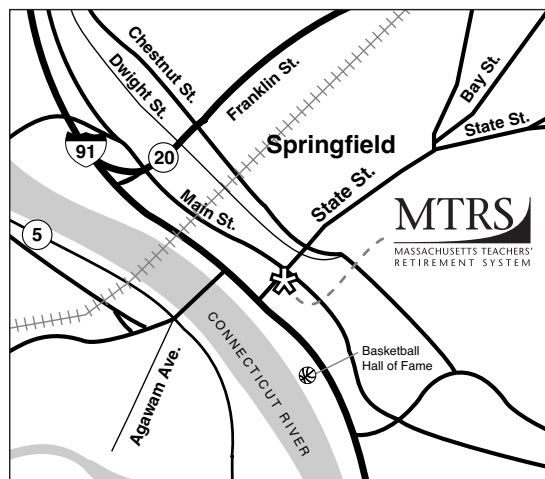
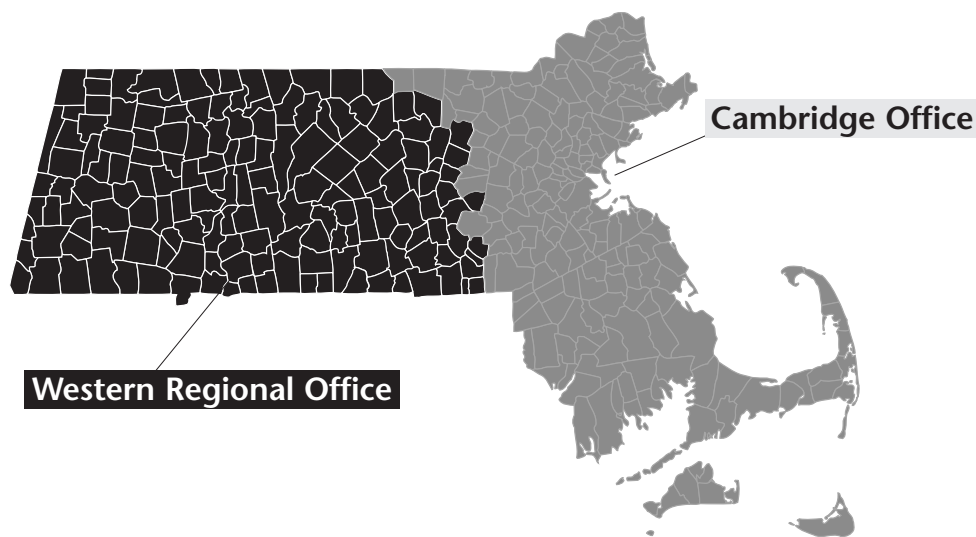
Continued on next page

Error message	What this means
Contract term is invalid 02, 03, 09, 10, 11 or 12 has been detected	The contract term field is blank or a value other than 01, 02, 03, 09, 10, 11 or 12 has been detected
Pay frequency is invalid	The pay frequency is not one of these acceptable values: 01, 02, 03, 10, 12, 20, 21, 22, 24, 26, 27, 40, 41, 42, 43, 44, 52 or 53
Pay duration is invalid	The pay duration field is blank or a value other than 01, 02, 03, 09, 10, 11, 12 or LS has been detected
Pay duration and pay frequency are not compatible	The combination of pay duration and pay frequency value being reported is not possible
Pay duration cannot be shorter than the contract term	Member is listed as working more months than he or she is paid

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MTRS Basic Electronic Reporting Tool (BERT 2.0): Possible error messages and what they mean



Western Regional Office

Located at the intersection of State and Main Streets, diagonally across from the Springfield Civic Center

101 State Street, Suite 210
Springfield, MA 01103-2066

Phone 413-784-1711
Fax 413-784-1707

Hours: 8:45 a.m. – 5 p.m.,
Monday through Friday

Parking is available at the Bliss Street
Parking Garage and on the street
at meters



Cambridge Office

Located adjacent to the CambridgeSide Galleria shopping mall and within walking distance of the Lechmere MBTA green line station

One Charles Park
Cambridge, MA 02142-1206

Phone 617-679-MTRS (6877)
Fax 617-679-1661 (main office)

Hours: 8:45 a.m. – 5 p.m.,
Monday through Friday

Parking is available across the street at
the CambridgeSide Galleria shopping
mall garage

Contacting us

The MTRS operates two offices; depending on where you are located, your employees should contact the office in Cambridge or in Springfield.

If you have questions...
Employers should contact the Employer Services unit in our Cambridge office for information.

Phone

To reach a representative, call **617-679-6895**, or, for a specific person, dial 617-679-[ext]

Mary Ellen Bernier . . . 6857
Mary Lynn Chu 6826
Christine Connell 6896
Lachelle Drayton. . . . 6879
Robert George 6869
David Harbison. 6873
Kathleen Kreatz 6856
Shirley Kwan. 6876
Cam Luu. 6852
Tom O'Connell. 6865
David Percoco 6809
Richard Probert,
Director 6878
Patricia Raynowska . . . 6850

Fax

617-679-1661

E-mail

empsup@trb.state.ma.us

Online

Go to mass.gov/mtrs
and click on Employers